

**Jason Becker, Research Specialist Rhode Island Department of Education**  
**Senate Bill 1195**  
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To the Members of the Appropriations Committee:

In June 2010, Rhode Island became the last state in the country to enact legislation that would distribute aid to public schools on the basis of a formula. For the first time in 15 years, Rhode Island committed to funding its schools not through politicking but through a defined, transparent methodology. As one of the primary architects of Rhode Island's new general school aid funding formula, I would like to submit the following testimony in support of S.B. 1195.

I participated in an extensive literature review across the fields of education finance, economics, and public policy as well as conducted original research on expenditure patterns available using the National Center for Education Statistics and Rhode Island financial data from December 2009 until June 2010. Throughout this process, I have particularly familiarized myself with state and local funding mechanisms for schools, measuring education costs as opposed to expenditures, cutting-edge methodology for determining funding "adequacy" by linking expenditures to outcomes, and the implementation of large scale changes in state aid distributions. The culmination of this research was, in part, the development of the model that Rhode Island adopted for state education aid in June 2010.

S.B. 1195 features what I consider to be the essential components of a theoretically sound and research-based education aid formula based on my review of education finance research.

1. S.B. 1195 requires that the calculation of the base education aid per pupil be calculated using actual expenditure data, which would be updated frequently. It is my finding that the vast majority of theoretical cost studies are still too unreliable to produce precise dollar amounts to be used by legislatures. By using actual expenditure data, the core instruction cost, or "per pupil foundation" is subject to the market forces that set efficient prices for public goods. The result is that spending is benchmarked to what is considered locally acceptable outcomes for students at the cost taxpayers are willing to support.
2. S.B. 1195 requires the use of a common chart of accounts for all transactions made by schools. This ensures that financial comparisons between districts can be made fairly and accurately. These data are essential to identifying both efficiencies and inefficiencies, as well as accurately and adequately maintaining a base aid per pupil that supports the minimum acceptable education quality for Connecticut students. A common chart of accounts provides unparalleled transparency and analysis opportunities that are critical to the maintenance and upkeep of a robust and adequate funding

system of public schools.

3. S.B. 1195 recognizes the dramatic cost gaps between students in poverty and non-impooverished students. By requiring an additional weight for students whose families are earning 185% or less than the poverty line, S.B. 1195 can begin to address issues of *vertical equity*—treating dramatically different systems differently. While my findings do not support using theoretically derived expenditures to precisely drive school funding, there is irrefutable evidence to support that some observable student characteristics are correlated with the need for substantially more resources to achieve the same results.

Put simply, students who are impoverished will not perform as well as their wealthier peers without substantially more resources being made available in their schools. The weight for these students serves to equalize the cost of providing base services in dramatically different communities.

4. S.B. 1195 bases the share of the total education cost the state will pay on the municipality's wealth. Local funding of schools nearly guarantees that wealthier communities with wealthier students are able to provide much more resources to their schools at lower tax rate than communities whose school districts primarily serve the poor. If the state has any role in funding education, then surely one of its primary functions should be to create the conditions that allow for schools that serve impoverished students to access the resources they need to produce the same outcomes as their wealthier counterparts.

A progressive distribution of aid ensures that differences in revenue-generating capacity at the local level are not ignored. This is of particular significance in Connecticut where analysis by ConnCAN has demonstrated dramatic incoherency in the current education aid system. There is tremendous variation in the state aid being sent to communities with a similar ability to produce revenues on a per pupil basis with little clear distinction between adjacent wealth quartiles. This is not uncommon in overly complex funding systems that have succumbed to politicking and are filled with special deals that favor some communities over others.

The state's investment in local schools must be based on equalizing the capacity to generate the revenues required to adequately fund every school district.

5. S.B. 1195 is student-based and ensures that students are funded consistently at the public schools they actually attend. Nothing could be more critical. No school system should have to shoulder the weight of rapidly increasing student populations while revenues languish causing them to dilute services and decrease quality. Likewise, systematic school improvement through

resource concentration due to rapid declines in enrollment is NOT a strategy the state should be pursuing. In a high-functioning education system, student needs drive all the decision making, and that includes budgeting. The students are the cost unit.

It should not matter to any community which public school a student intends to enroll in. Each student's education is the responsibility of the municipality as a whole. All residents pay taxes for the education of the municipality's students to support their learning. That responsibility does not end when parents make the choice that a public school in another district, a magnet school, or a charter school will provide a better education for their students. By funding the child at the school he or she attends, Connecticut ensures that it prioritizes investments in its students and not its systems.

It is for these reasons, amongst many others, that I support the passage of SB1195. I believe this bill will lay the foundation necessary to add coherency and transparency to an opaque and unfair mechanism for school funding

Thank you for the opportunity to submit this testimony.

Jason Becker